

**COMMITTEE ON ACCOUNTS, ENROLLMENT
AND REVENUE ADMINISTRATION**

February 21, 2006

4:15 PM

Chairman Pinard called the meeting to order.

The Clerk called the roll.

Present: Aldermen Pinard, Smith, DeVries, Lopez

Absent: Alderman Thibault

Messrs.: D. Cornell, K. Buckley

Chairman Pinard addressed Item 3 of the agenda:

Communication from the Board of Assessors submitting the abatement and overlay account updates.

David Cornell, Chairman, Board of Assessors stated before you you will see communications from the Board of Assessors. Essentially these give an overview of our abatements from 2002 to 2005. For 2002 we have one abatement outstanding. It should be adjudicated within the next month and we will have a final hearing on that. For 2003 we have 65 properties that are still outstanding. For 2004 there are 161 and for 2005 there are 27 properties that have appealed so far. They have until March 1 of this year to do so. Additionally we have provided our account balances for the overlay account. We have a little over \$1 million in the aggregate in the abatement fund for the different years. You will notice...you are probably questioning as far as 2004, for that particular year, you will see a negative balance. We will be rolling money from the 2001 account and as soon as the last case is heard from 2002 we will be taking that money and rolling it back into the 2004 so it will have a positive balance when we do shift some of the monies around. On the second page of our memo we stated that we would provide the 2006 tax base projections. That memo went out last week and we can go over that if you would like.

Alderman DeVries stated I would like to take you backwards if I could to the overlay amounts and bringing forward the unused credit, the \$26,000 and rolling that into 2004. With that one settled account and that is rather a large one do you still not anticipate that you might need extra dollars in that 2004?

Mr. Cornell responded for the 2002 account we have almost \$450,000. We only have one case left so we will be bringing forward the 2001 funds plus the 2002 funds as soon as this last case is adjudicated.

Alderman DeVries stated my question is with that 2002 account because that is valued at \$12,300,000. Wouldn't...once that is settled...I guess what are you anticipating might be available to roll forward into the debit balance in 2004?

Mr. Cornell responded for that particular case we feel that we have a strong case that is going before the BTLA. They have hired an appraiser. Certainly they feel I'm sure that they have a strong case so at this point it would be really up to the Board to decide how much we would have to return if any.

Alderman DeVries asked so it is pending the BTLA hearing as to whether you have any issues with 2004 based on not having enough brought forward from the prior year and the aggregate.

Mr. Cornell answered the big account would be the 2002 account. We would bring those funds forward into the 2004.

Alderman Smith stated you have 254 cases outstanding right now if you total them all up. With the new revaluation coming up how many cases do you think you will have for abatement? Will you have to hire additional personnel to follow-up? I would imagine if we are going to go through the revaluation we are going to have a lot of cases of abatement.

Mr. Cornell responded typically during any revaluation you see a dramatic spike in the number of appeals during that year. For 2001, there were 673 total appeals filed. We project probably in that range or maybe a little bit higher because the number of parcels has grown since the last revaluation but certainly you would see a big spike and we expect to see a big spike during the 2006 revaluation.

Alderman Smith stated you are estimating the overlay expense to be \$3,200,000 to implement.

Mr. Cornell responded that is correct.

Alderman Smith asked and you will have sufficient capital.

Mr. Cornell stated basically what we did there is we analyzed the overlay expense back in 1990. What that does is it encompasses a period when property values dropped dramatically followed by the late 90's and the past several years where values have increased significantly. What we discovered was that during that long time period the average overlay expense was about \$1.6 million that encompassed those years. Additionally, we paid particular attention to the 2001 actual abatement expense. Not the amount that was allocated in the overlay account but the actual amount expended. So those appeals that may not have been heard even up until last year, the expenses attributable back to 2001 we looked at and what we found from the 2001 expense was a little under \$2.5 million for the 2001 revaluation. The taxable base in 2001 was a little over \$1.1 billion and our projection for 2006 is right around the \$9.7 billion. Certainly the tax base itself will be growing quite a bit but when analyzing all of that we figure that the \$3.2 million at this particular time is our best estimate for the overlay expense.

Alderman Smith stated I noticed that your projected value was 12 and in 2005 it was 6. That is almost an 18% or 19% increase. Do you think we will see that money? I am looking at gross valuation.

Mr. Cornell responded for gross valuation currently we are almost at \$6.7 million and then we are projecting about \$12.1 billion. That is our best estimate right now as far as what we feel the gross tax base will be and then of course we need to extract out the non-taxables and the non-exempt and then all of the exemption amounts.

On motion of Alderman DeVries, duly seconded by Alderman Roy it was voted to receive and file.

Chairman Pinard addressed Item 4 of the agenda:

Communication from Kevin Buckley, Independent City Auditor,
submitting status of current audits as follows: City Clerk's Office, Traffic
Department, contract for auditing services and further planned audits.

Kevin Buckley, Independent City Auditor, stated the first thing I would like to point out is that we had put out the auditing contract for the City wide audit and we only had two people bidding. They were both very close and both very qualified firms. We had an audit committee of five people and we determined that we were going to stay with the auditors that we have currently, McGladrey & Pullen who had a slightly lower bid and in our opinion were better qualified than the competing firm. That is the first order of business that I would just like to point out to you right now. Also, I had intended to do the Treasurer's Office as

my next audit and I started that and am well into it but due to some retirements at the Traffic Department that may be coming up in the near future I have decided that they would be the next audit. I decided to bump them up and do them concurrently with the Treasurer's Office and try to get that one actually finished first. That will be the next audit that you will be getting in a few months. The audit that you have today is the audit I did of the City Clerk's Office. It was a financial and compliance audit for fiscal year ending June 30, 2005. There were five reportable conditions under the internal control section and two management issues. You will notice Observation #7, the accounts receivable issue, is closely related to the issue that in the management letter from McGladrey & Pullen having to do with accounts receivable and revenue that is off of the HTE system and another management issue was inter-governmental transfers. The City, when two departments have a receivable they actually cut a paper check and mail the check and the check gets deposited and it comes in and out of the same general fund account at times. It wastes a lot of paper and time and there are ways to do it without having to cut a check. It could just be a transfer between two funds. I think that HTE has difficulty doing that and they have been working on that. I think that eventually that problem is going to be resolved. The major observation was Observation #1 where there were a number of people for years who have been working at the City Clerk's Office mostly during election time when they come in and work for two or three days and then they will be done. They have a specific job for two or three days and then they are gone. The City Clerk has always classified these people as independent contractors. They have a contract with them even though they pay them hourly. There are a few employees that were in there that were long term employees who were there for several months getting paid hourly. There were one or two of them who were former employees working full time and came back to work part-time as contract laborers. They have always been classified as contract people. If you read all of the rules and how the Federal government determines whether you are an employee or a contractor it seems clear to me that these people are actually employees and should have been treated as employees. One of the employees actually filed for employment at the end of his job with the state and the state found that he was an employee and so he had to get unemployment. Observation #2 has to do with the two vehicles that the City Clerk's Office has. One of them the Ford Taurus station wagon, which I felt was not getting enough use and should either be used more or should be gotten rid of. Again, all of these observations were pretty minor and for the most part have been taken care of since that time.

Alderman DeVries asked back to Observation #1 what was the final resolution with the City Clerk's Office.

Mr. Buckley answered I believe the City Clerk's Office now treats those people as temporary employees. Is that right, Leo?

City Clerk Bernier responded that is correct. We addressed that issue in the Human Resources Committee. We have seasonal workers now and got away from contract manpower.

Alderman DeVries asked the resolution that you took in November to HR how will that work for future unemployment claims that might come up.

City Clerk Bernier responded I can't answer that.

Alderman DeVries asked would these individuals be eligible or are you telling us that you no longer have long term...

City Clerk Bernier interjected honestly I can't answer that question because I have never experienced that.

Mr. Buckley stated I believe in the labor laws if you are hired as a temporary employee you are not eligible for unemployment. If you are hired as a temporary seasonal employee you don't get unemployment but if you are hired as a regular employee then you are eligible for unemployment. I think these people, the way they are hired as just a temporary for a set period of time to do one job, they are not eligible for unemployment.

City Clerk Bernier stated but I have also experienced...the Moderator from Ward 1 got unemployment for a one-day show. That is why I couldn't answer your question. I am not familiar with the labor laws and the unemployment laws. I experienced in the late 80's where a person who was a Moderator in Ward 1 filed for unemployment and was getting \$1.68 for his unemployment check. That is why I am very sensitive in answering that question.

Alderman DeVries responded I understand that. I am just wondering if there is any action that this Committee needs to take to further protect the City from any future claims or if you need an additional opinion from the City Solicitor.

City Clerk Bernier stated I think those issues have been addressed and if you recall we did that in November. The recommendation...the Finance Department has been after the City Clerk's Office for a number of years in regards to how we use manpower but when we have to make decisions to make sure the work gets done...you know we have to do what we think is right.

Alderman DeVries replied I certainly understand and at election times we want you to do that.

Alderman Long asked just so I get this straight currently we don't have the contracted hours working hourly.

City Clerk Bernier answered not for the length of time that we have had in the past. We have short-term. For instance we have a person who does absentee ballots and will do it five weeks during September and five weeks during November and that is the extent of it. I really pushed the envelope with manpower for a number of years. I conceded and we are being good now. We have seasonal positions and we are going forward.

Alderman Long asked what, if any, increase is there to payroll, FICA, etc.

City Clerk Bernier asked are you talking in regards to seasonal employees or manpower or temporary employees.

Alderman Long answered seasonal.

City Clerk Bernier stated the City takes care of that.

Alderman Long stated I am reading on Page 2 that the office hires 180 temporary and contract employees. That is per fiscal year?

City Clerk Bernier responded that is for every election year. That is for Moderators, Ward Clerks, Ballot Inspectors, people who help set-up the polls.

Alderman Long asked out of the 180 how many are now working for you.

City Clerk Bernier answered none.

Mr. Buckley stated the vast majority of those 180 people are for one day. They just come in for the election and that's it.

Alderman Smith stated getting back to the contract workers for elections and so forth, this matter was referred to the City Solicitor and your report states that no request has been received from the Solicitor's Office to take any further action.

Mr. Buckley responded once they changed it and didn't use contract manpower the way they were doing it the City Solicitor decided he wasn't going to go forward and spend any more time for something they weren't doing anymore.

Chairman Pinard asked on the automobiles your suggestion is to get rid of one.

Mr. Buckley answered either get rid of it or find a way to use it more. Part of the problem with the lack of use is that the person who does inspections is so busy down there with other stuff he doesn't get out there to as many inspections and licensing work as he probably should be doing. Your option is to either use it more so that you get more efficient use out of it or to get rid of it.

Chairman Pinard asked Leo what have you decided to do with that vehicle.

City Clerk Bernier answered we are going to keep the vehicle because hopefully we are going to introduce a business permit for the City so we will have a number of people going out and doing inspections. That is a whole activity that we haven't done because we are one position short at this time so the person is not going out to do the inspections.

Chairman Pinard asked do you have a timetable set for that.

City Clerk Bernier answered we are drafting an ordinance now and hopefully it will be ready for the Committee on Administration to start reviewing it. I would say maybe the middle of April.

Alderman Smith stated I have to agree with you, Kevin, that the car is not utilized. In seven years it comes out to 3,800 miles a year. Has anybody thought about pooling the car with other departments?

Mr. Buckley responded pooling has always been...I think the City has four or five pool cars. The cars that they have as pool cars...I don't know what they have right at the moment but I looked at this three or four years ago and they are notoriously awful cars. They are the bottom of the barrel cars that no one wants and they throw them in the pool and they are dangerous to drive. They are never used and they are over at MTA and nobody wants to drive to MTA to get them. They have been seriously underutilized. If they had decent cars in their place where you could get at them more easily I think they would get more use.

Alderman Lopez stated I have two things. In reference to the employees is there any other department in the City that you know of that has the same category as the City Clerk had as far as independent contractors.

Mr. Buckley responded I think there may be some departments that occasionally use an independent contractor. I can't think of any of the top of my head but I would imagine it is not a totally unusual occurrence.

Alderman Lopez asked did you go to the municipal government to find out the legal aspects of this. I know you said you went to the Solicitor and no other action is going to be taken but for the future so that we have a clear understanding of who can draw unemployment so that this doesn't happen City wide have you checked with the municipal government.

Mr. Buckley answered I went through the IRS regulations, which are very complicated and hard to read and I know from experience when I worked as a controller at a company that you can never tell what they are going to come down with for a decision on these things. Normally they air on the side of saying that somebody is an employee. You can almost count on that. If they can figure out a way to make someone an employee, they try to make them an employee rather than a contract worker. It gives them more protection.

Alderman Lopez stated the other thing that I want to bring to the Committee's attention is at a BMA meeting last year a complete report was given to CIP in regards to all vehicles that were driven 5,000 miles and 10,000 miles and that is in the CIP Committee at the present time. Along that line, it is cheaper in some cases and this is something we will have to work out with Human Resources but for someone to use his private vehicle and get reimbursed for mileage. The wear and tear on the vehicle whether it is going 9 miles or 10 miles and all of that stuff...I think it is an area that CIP has to look at and refer something to the Board.

Mr. Buckley responded you will note in my recommendation that I used the approach that the State of NH uses when they determine whether a car is necessary by calculating the cost of the car per mile compared to the IRS reimbursement rate but what you always have to be careful of are things like the van that they have there is a special use vehicle. You really can't use that calculation for that because it is something...you need that van to deliver the mail. It doesn't matter how many miles it goes. You have to be careful by just going by the per mile figure. You have to actually look at what these vehicles do in addition.

Alderman DeVries asked with Observation #2 I am a little bit confused by what appear to be conflicting statements when we are talking about the reimbursement of mileage to employees and you are indicating at the top of Page 9 that there are 15 employees being reimbursed for over 9,000 miles if I am reading that correctly 7 of them actually over 1,000 miles each. About halfway down that page in the bulleted comment, the primary purpose of the Ford Taurus Wagon, you are speaking to if this person was asked to use his own personal car he would be forced to pay a higher premium on his auto insurance and the City doesn't reimburse for that.

Mr. Buckley answered that part is the auditee's response. That is not my response. That is Leo talking in the bulleted part.

Alderman DeVries stated well those seem to be conflicting statements to me because up above we have employees...maybe there is a certain mileage threshold that you are allowed to be reimbursed for mileage without having to pay an additional business premium or commercial use premium and maybe we need to know what that threshold is to know if it can be a reimbursed item for this employee.

Mr. Buckley responded I was going over the report this afternoon and as I was reading that and I read that very statement I called up my insurance company and asked them what the coverage was on that and my insurance company said if I am driving my car on occasional work business, my insurance covers me at no additional premium. He said the only exception to that rule is firemen driving to a fire the City picks up. If you are driving home from a fire then it is your insurance but driving to a fire the municipality normally picks up the insurance or you have to get special insurance for that.

Alderman DeVries stated well I guess we have to decide what occasional is. Is it 1,000 miles or 3,000 miles that the Taurus logs a year?

Mr. Buckley responded the woman at my insurance company that I talked to said in general it is your insurance and they pay it just like normal. If you are a salesman where everyday all you do is drive your car for business purposes sometimes they put an extra premium on that just because of the amount of mileage you put on your car, not so much that you are doing it for work.

Alderman DeVries replied I think I see what you are saying. It is not likely that the 3,000 would raise to that standard of exceptional extra mileage that you are adding on to your vehicle. The other question, of course, is that occasionally there are days preparing for elections where there are bulky items and they need to have a station wagon available to the City Clerk's Office. I guess I would ask the City Clerk's Office to revisit this item to see if there is a way to make this vehicle available to other departments if there is a need in other departments and think about reimbursing this individual the mileage rate and still having that vehicle available from the pool on election days, at least to address that with us as a Committee.

City Clerk Bernier responded I will explore that for you.

Alderman DeVries replied I would appreciate that. Observation #4 was talking about some software issues...I am looking at Page 12 and let me just review my comments. It just appeared to me that when we were looking at the Finance Department and I think this goes to the items, the way that they were transferring them and writing checks. I just wondered if there wasn't some sort of software that would identify those conflicts of posting and if there are why we wouldn't be using some sort of software that would address the item brought up.

Mr. Buckley stated even when I worked for the State of NH you always have problems with this the way they come through. You can probably never catch all of them. The software can't do it because there are different accounting rules and when something...what period it should fall into. There are always exceptions to the rules and these things that I found in here were probably exceptions to any rule that software could come up with. The Finance Department looks at thousands of accounts payable at year end to determine which accounting period they are supposed to go into and in general they do a very good job and catch almost all of them.

Alderman DeVries moved to receive and file. Alderman Long duly seconded the motion.

Alderman Smith asked on Observation #6, transfers, you initially spoke of it at the beginning. The HTE when do you think that will be compatible? It is common sense that it should go electronically rather than paying for new checks. That is what you are getting at right?

Mr. Buckley answered right. It makes no sense to me to write a check to yourself – a paper check. It takes time and it takes paper and we get a per charge per check that goes through the bank.

Alderman Smith asked when do you think the Finance Department will be able to do this.

Mr. Buckley answered I am not sure. You would have to ask them. I know they were working on it at one point. I can't remember because it was awhile ago but there was something in the software that was making it difficult for them to do this. I know that other places with HTE do it but I think they have a different module than we have and they do it all by Intergovernmental Transfers.

Alderman Smith asked how long have we had HTE.

Mr. Buckley answered I believe the City got HTE in 1997 and has slowly been adding modules since that time.

Chairman Pinard called for a vote on the motion to receive and file. There being none opposed, the motion carried.

Chairman Pinard addressed Item 5 of the agenda:

Communication from Guy Beloin, Financial Analyst II, submitting the City's Monthly Financial Statements (unaudited) for the seven months ended January 31, 2006 for FY2006.

Guy Beloin, Financial Analyst II, stated I would like to start with the expenditures. I highlighted a few things. The first one is that first of all the benchmarks left for the budget year should be about 42%. That is the ideal. For Risk Management, they ended up paying almost \$400,000 worth of invoices and there is still a balance on that line item so there shouldn't be a problem there. It is just a timing thing. It has been accelerated. For Human Resources, this year the settlements are favorable so far but these settlements...we pay an estimated bill on a monthly basis and once Anthem has taken a look at the actual claims they give us settlement sheets to see if we have overpaid or owe them money. The Building Maintenance budget, it looks like they have spent most of their budget but that is because they have encumbered the contract for cleaning services for \$4 million for the year. Welfare seems to be about \$18,000 over on their general liability insurance line item. I believe that is due to a couple of settlements. Elderly Services has encumbered fully for their utilities for the year and that is why they look like they have a little less. Now for revenues. The cable franchise fee is lower than last year and this is due to a payment that was made to MCTV for the MCAM program for \$231,000. That came out of that revenue line item. This is pretty much all that I have at this point.

On motion of Alderman DeVries, duly seconded by Alderman Smith it was voted to receive and file this item.

Chairman Pinard addressed Item 6 of the agenda:

Communication from Guy Beloin, Financial Analyst II, submitting the City's Quarterly Financial Statements (unaudited) for the six months ended December 31, 2005 for FY2006.

On motion of Alderman Smith, duly seconded by Alderman Long it was voted to receive and file this item.

Chairman Pinard addressed Item 7 of the agenda:

Communication from Sharon Wickens, Financial Analyst II, submitting reports as follows:

- a) department legend;
- b) open invoice report over 90 days by fund;
- c) open invoice report all invoices for interdepartmental billings only;
- d) open invoice report all invoices due from the School Department only;
- e) listing of invoices submitted to City Solicitor for legal determination; and
- f) account receivable summary.

Sharon Wickens, Financial Analyst II, stated for the newer Committee members these are the standard reports that I send for every meeting. One of the reports that I think might be helpful is the very last report, which is the accounts receivable summary. That just kind of puts into perspective all of the paper that you are looking at. For instance, we have \$1,436,000 over 90 days. Well \$1,136,000 of that is Airport and the Airport does not collect their invoices in 90 days. It is normally closer to six months. It is just a one-page report. That also highlights any of the larger bills and I try to put a reason as to why it hasn't been collected. That is just to put all of the paper you are looking at into perspective. We do have about \$40,000 of straggler accounts out there that are either in collections or just haven't been sent to collections yet but a lot of this is being worked on.

Alderman Smith asked on Page 1, School Administrative Unit, the alarms and security over 90 days, is there going to be any problem getting a chargeback from those.

Ms. Wickens asked are you talking about the summary for the school. Let me check with Fire. School has been very good about making their payments but this one does look like it has been standing out there. I can send you something in the next day or so and let you know.

Alderman Smith answered that is okay. I was just wondering why we didn't get a reply from the School District because there are a couple of other agencies involved over 90 days for one reason or another.

Ms. Wickens stated there is someone from the School District here but I don't know if they can address this particular item.

Alderman Smith responded well if you could just notify them it would be appreciated because we have the same people on here on a monthly basis. That is a new one for me and I was just wondering about it.

Alderman Long stated with respect to the same item, the transaction date, is that the date we are starting the 90 days.

Ms. Wickens responded yes. That has been out there for some time.

Alderman Long replied 1306.

Ms. Wickens stated I thought it was 6103. You are right. It is not very long and I bet that is coming in. School has been right on top of the receivables this year. I have very little that is outstanding.

Alderman DeVries stated though I have certainly heard before, Sharon, the process but maybe you can update me when something is proceeding between accounts receivable and making it to our next report, which is write-offs. Can you tell me the process and if anything has changed over the last three years on how the City Solicitor and your office is dealing with these items before they hit the write-off list?

Ms. Wickens responded this Committee had set-up some guidelines to follow that said every department needs to send anything over 90 days to our collection agency. The collection agency can take anywhere from 90 days themselves to six months to try to collect these. If they return it to us and it is under \$1,000 it immediately goes on to the write-off listing. Now I have had people on this committee pull those if they say I know this person and I want it to go to the Solicitor's Office but that is them pulling it off. Anything over \$1,000 automatically goes to the Solicitor's Office and that is a separate report that I sent you to say these are all of the accounts that are currently sitting in the Solicitor's Office being worked on. I make no exception. Everything that comes back to us from collections is on the report one way or the other.

Alderman DeVries stated I am jumping to Item 8 but advancing to the write-off submission maybe you can tell us...I would assume that the AEX of course is all efforts exhausted. Those items all mean that they have been through...

Ms. Wickens interjected they have been through the collection agency and are under \$1,000 so they haven't been to the Solicitor's Office with the exception of...there is one on there for \$1,327. That did go to the Solicitor's Office and they were unable to locate this person. This was a traffic accident.

Alderman DeVries asked which one was that.

Ms. Wickens answered it is \$1,327.19. That did go to the Solicitor's Office. They tried to find this person. It was a traffic accident. It is now to the point where the statute of limitations expired and we still weren't able to find them.

Alderman DeVries asked if I can pursue that particular line with you because it would seem with a traffic accident there might be automotive insurance or some other ability through the state...driver's licenses and such.

Ms. Wickens stated I send to the Solicitor's Office everything I get...a copy of the traffic report, etc. and then Tom Arnold will usually go forward. I know that he can comment a little bit more. Wasn't it that they had no insurance?

Thomas Arnold, Deputy City Solicitor, responded there was no insurance in this particular case. At the time we got it I tried to locate the person but they no longer resided at the address given on the accident report.

Alderman DeVries replied I guess I would ask because I know in the past we have found some things when the list has gone to the full Board and I realize that some of these are very time consuming and the Solicitor's Office cannot catch everything. I would be comfortable until I feel more in step with this Committee if we could get more detail before these write-offs actually occur. To just tell me that all efforts have been exhausted doesn't tell me that it went to collection on such and such a date and came back on such and such a date, etc.

Ms. Wickens asked so you would like to see some...

Alderman DeVries interjected I would like to see some more detail before they are finally written off and I would ask this Committee not to approve the write-offs until I get more detail on them.

Ms. Wickens stated any one of these that has the three digit USA, which is unserviceable address or AEX have all been through the collection agency and come back. Anything that is bankrupt, I have bankruptcy papers and there is not much more we can do on those. I will tell you that we did make collection on one of these today so I was going to remove it from the list.

Ms. Wickens responded it is \$100 for fire collection.

Alderman DeVries asked the 9528.

Ms. Wickens answered that is correct. We did make collection on that and if we should collect it after we have written it off I do record them as recoveries.

Alderman DeVries stated I am not trying to be problematic. I would just be comfortable knowing a little bit more about the process so if people approach me and say well the City just writes things off I have some sort of a rebuttal in mind of the efforts that have been exhausted prior to write-off. That would be useful.

Alderman Long stated I have a couple of things. One is the statute of limitations. That was invoiced 10/22/01. What I am hearing is over 90 days you will receive the invoice that needs collection right.

Ms. Wickens responded right.

Alderman Long stated and then it would take up to six months or so to...

Ms. Wickens interjected to go to the collection agency and if the dollar amount is higher I find the collection agency works a little bit harder because they have more...I mean they are probably not going to invest a lot of effort in a \$10 bill but they certainly will on this one. I want to say they kept this for almost a year themselves and then it was forwarded to the Solicitor's Office for further effort.

Alderman Long asked do we have any means in which...for example there are two listed on here for the same person that total \$1,103, JW Darrah.

Ms. Wickens answered yes. On that particular one he filed bankruptcy and I received bankruptcy papers and forwarded them to the Solicitor's Office.

Alderman Long stated I have one more. CP Management for fire, 2644, for the \$250. Property sold and statute of limitations expired. Aren't they still in business?

Ms. Wickens responded yes they are still in business but what happened was the property was sold and the Fire Department billed one management company, which was CP Management when really it should have been another management company and that kind of straggled out there and then it went through collections and all of that only to come to find out it was the wrong management company. When I talked with Tom he said at this point...there was a piece of it that wasn't really old that we could go after but this piece he said we would have to write-off.

Alderman Long asked so this customer name isn't really the customer name.

Ms. Wickens answered you are probably right. It shouldn't have been under that name.

Alderman Long asked before we sign any of these off is there a way to go back and check and see if there are any other outstanding on them. I mean the customer number should be the same customer number right?

Ms. Wickens responded I did look all of these up. I would say that CP Management is the only one where the name has probably changed. Isn't that what you found, Tom, that that wasn't theirs? I know you had talked to them.

Deputy Solicitor Arnold stated CP Management was managing a building here in the City. When the building was sold, they no longer managed it so no they were not the building owner. They were the manager so the invoices were sent to them and I presume paid when they managed the building. So I guess whether it is the proper customer or not is probably open for debate. They were not the building owner but they did manage it.

Ms. Wickens stated this is one also that didn't meet the \$1,000 criteria but we did send it to the Solicitor's Office per one of the members of the last Committee. It may have been Alderman Osborne who said he wanted Tom to take another look at it and that is where this was discovered.

Alderman Forest asked on Page 1 of 7b, Item 4732, is this a school issue here about not collecting from this organization. Is it something that the School District is not collecting on or the City?

Ms. Wickens answered this is Building Maintenance for the City. They must have needed custodial work done and it has never been paid by this particular organization.

Alderman Forest stated the reason I ask is I am on a joint committee with this organization. Has someone tried to collect from them? Is there a name that they need? I will mention it to them. I have a meeting in a couple of weeks with them.

Ms. Wickens responded I would refer them to Barbara Connor.

Alderman Forest stated on Page 6 there are a lot of contractors...not the insurance companies because I know that insurance company pay eventually but there are a lot of contractors here. In fact Item 10255 for police detail hasn't been paid. I really hate to see that. There is quite a bit of money here that hasn't been paid and is overdue.

Ms. Wickens responded on this particular page there are a number of them that have actually been forwarded to the Solicitor's Office for a further collection effort. 10255 has not been forwarded. This is old but sometimes this particular vendor pays a little bit later for the details.

Alderman Forest stated the one I am really concerned with is Item 8319 being that we as a City fund this organization. This is overdue for police detail.

Ms. Wickens asked is that Page 6 as well.

Alderman Forest answered yes. It is the group on the top there – 8319.

Ms. Wickens replied I can check with detail to see what they have done. I know that we do send statements out each month as well so they are well aware that they owe that.

Alderman Forest responded I want to say and again I may be wrong and correct me if I am but the last time this organization hired police details was back in September or October. I think maybe before we fund them anymore they pay off this bill.

Alderman Long asked is there interest paid on these late invoices by any chance.

Ms. Wickens answered yes. 18%.

On motion of Alderman Smith, duly seconded by Alderman DeVries it was voted to accept the reports as presented.

Communication from Sharon Wickens, Financial Analyst II, submitting the 2nd quarter FY2006 write off list for the accounts receivable module.

On motion of Alderman Smith, duly seconded by Alderman DeVries it was voted to table this item for further information.

Chairman Pinard addressed Item 9 of the agenda:

Communication from Maureen Cail, Accountant II, submitting a summary of CIP project balances as of December 31, 2005.

Maureen Cail, Accountant II, stated I want to present the project balances report as of December 31, 2005. I am still working with the departments on cleaning up balances and becoming familiar with the projects. Did you have any particular questions?

On motion of Alderman DeVries, duly seconded by Alderman Smith it was voted to receive and file.

Chairman Pinard addressed Item 10 of the agenda:

Communication from Joanne Shaffer, Second Deputy Finance Officer/Treasury Manager, submitting the quarterly Treasurer's Report for the period ended December 31, 2005.

Joanne Shaffer, Second Deputy Finance Officer/Treasury Manager, stated this is a report that is prepared by the Finance Department to give you a little bit of perspective on the City's operations, most of which you are accustomed to looking at. You see appropriations, budgets, budget to actual, etc. This kind of shows it from the cash balance side. I think you have probably all seen this report in the past. It gives you the outstanding investments, the cash flows for all of the various funds, the total amount of restricted cash including some of those that are held by trustees that are proceeds from the bond sales that the City has and of course the big part of it is it shows you the debt that is outstanding by issue and by project so that you get a better feel for exactly what is out there and committed by the City. If you would like me to go into any areas specifically I would be happy to. If any of you would like to come in and visit me at the Finance Department I would be happy to explain anything to you.

Alderman Smith asked on the indebtedness my question is in regards to the whole Enterprise, School, Special Projects, HUD and so forth you have a total in the billions.

Ms. Shaffer answered yes. That is principal only and this is the amount of principle that is owed on each of these individual projects. This is put here because this is the way it is reported on our balance sheets when we look at outstanding debt and so forth. We have added the individual schedules so that you can see the corresponding interest that is also due on these various pieces of debt.

Alderman DeVries stated I was just looking for the fiscal year conversion loans.

Ms. Shaffer responded they are paid off. When we sold those at the beginning of 1993 they had a 12-year amortization and we were happy to see them go I think a year ago in October.

On motion of Alderman Smith, duly seconded by Alderman DeVries it was voted to receive and file this item.

There being no further business, on motion of Alderman Smith, duly seconded by Alderman DeVries it was voted to adjourn.

A True Record. Attest.

Clerk of Committee